

REALTORS *Committee on Air Quality*

Carol Banner, Chairman

4101 Sea View Avenue
Los Angeles, CA 90065
323/342-9373

December 15, 2006

Dr. Joe Cassmassi
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

Dear Dr. Cassmassi

The REALTORS Committee on Air Quality, a coalition of Associations of REALTORS in the South Coast Air Basin, submits these comments on the Draft 2007 AQMP. We are committed to affordable housing production and improved quality of life, including clean air, for all residents of the Basin. Therefore, we request that the District revise two control measures in the Draft AQMP, and remove major overlaps in control measure concept and emission reductions among the dozen or more measures that impact new development.

1. EGM-01, Emission Reductions from New Development and Redevelopment Projects, adds mitigation requirements and fees to new housing projects in a manner that squarely impacts housing affordability. **Of the three options listed in the Draft AQMP, only the CEQA Approach to mitigating New or Redevelopment Project emissions – minus District staff's proposed CEQA Mitigation Fee Program – is a viable option for inclusion in the Draft Final 2007 AQMP.** This option insures that housing projects will mitigate their air quality impacts in a manner consistent with state environmental law, without the need for a new District rule, new District administrative and mitigation fees, and a new District bureaucracy to implement a fee program. One of the virtues of the cooperative CEQA-based initiative is that it is the only option that involves the local governments that actually make land use decisions and enforce project mitigation. We recommend that the CEQA-based option be further expanded to include voluntary and incentive programs to motivate housing project developers to incorporate the latest energy efficient appliances and other cost-effective features to reduce emissions.

We further recommend that the final language of the measure address the following concerns in a manner that does not burden affordable housing production in the Basin:

EGM-01 must not discourage or delay the cleanest development in the air basin.
Added requirements outside the existing CEQA process and new fees will have the

unintended consequence of delaying needed housing and workplaces, and pushing development that incorporates the latest compliant building components and Title 24 energy efficiency and conservation features into other air basins.

EGM-01 must not reduce housing production or unreasonably increase housing costs counter to state affordable housing construction mandates. Increased housing costs due to additional mitigations or fees outside the existing CEQA process will be passed onto homebuyers, reduce the number of households qualifying for ownership, and will be magnified when mortgaged for 20, 30 or more years. Increased new housing costs will also have a ripple effect on the cost of existing homes and rental rates. This unintended but serious consequence harms the same residents of the Basin who also need clean air. EGM-01 must not pit air quality against affordable housing production goals, or impede local jurisdictions that are trying to meet their state-mandated fair share housing production targets.

EGM-01 must not overlap and duplicate other 2007 AQMP control measures impacting development. The Draft 2007 AQMP proposes more than a dozen control measures that would impact construction practices and new development projects. Many of these measures (such as Urban Heat Island, Wood Burning Fireplace, Space Heaters, Construction Equipment Modernization rules) would require compliance efforts that would reduce the number of mitigation options available to development projects under the proposed New or Redevelopment Project control measure. This overlap and duplication must be recognized and eliminated to avoid double-counting of emission benefits and imposing unrealistic mitigation expectations for housing projects.

EGM-01 must focus on on-site project emissions that can be controlled by the project sponsor. District staff's proposed New Development and Redevelopment concept would control construction emissions, emissions from building components and features, as well as operational vehicle emissions caused by the driving behavior of future project occupant. Project level review and mitigation cannot effect changes in driving behavior or transit use, as these decisions are prompted by larger scale land use and transportation and economic forces. Mitigations and fees should not be imposed on project developers for vehicle emissions that they cannot change or control.

EGM-01's San Joaquin Valley APCD Option is not reasonably available or feasible for the South Coast Air Basin. This measure focuses on mobile source emissions beyond the control of project sponsors, thereby forcing them to pay fees for impacts for which project sponsors have no tools to mitigate; sets arbitrary mitigation thresholds that do not reflect any South Coast Air Basin conditions or data; costs an average new house \$1,772 in 2008, thereby impacting the ability to qualify for a new home purchase; and is based on special state legislation that allows an indirect source fee only for the San Joaquin air basin. Further, we are aware that the San Joaquin rule is being litigated, and implementation of the rule has been difficult given inherent problems with the design of the compliance process and the emission calculation model upon which the rule relies. We urge the District staff and Governing Board to reject this inequitable, unworkable and unsuitable approach in the South Coast Air Basin.

EGM01's "District Threshold" option is not reasonably available or feasible in the South Coast Air Basin. This control measure option is a variation of the San Joaquin approach. The District would select a different threshold for mitigation -- in fact, District staff has suggested that they are considering using the advisory CEQA Air Quality Handbook level of significance intended for project impact screening, a threshold that would be even more unrealistic than the San Joaquin thresholds. Once again, fees that threaten affordable housing would be imposed on projects because the builder cannot control or mitigate future vehicle trips by owners and renters simply by incorporating desirable project features. Commuting patterns, transportation mode choice, and individual driving behavior is the result of complex land use, transportation and economic forces beyond the control of individual projects.

2. BCM-03, Emission Reductions from Wood Burning Fireplaces and Wood Stoves, lists prohibition of fireplaces as one of the options under consideration for reducing particulates from fireplaces and wood stoves. REALTORS see no justification for limiting fireplaces given the availability of cost-effective technology, as described by the District in the draft control measure, to control all new indoor and outdoor fireplaces. We would support a measure that allows construction of these infrequently used but much appreciated home amenities with installation of cost-effective certified control equipment, provided that further consideration of a ban on new fireplaces is removed from the control measure description.

We also urge the District to plan carefully for orderly implementation of this measure, as we will not support enforcement of fireplace and wood stove requirements by REALTORS at the point-of-sale.

3. Eliminate Overlap and Duplication Among Control Measures.

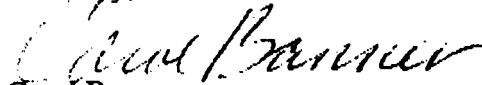
All together, more than a dozen different measures would impact housing development. Many of them overlap the proposed New Development and Redevelopment measure. The proposed fireplace, space heater, light-colored roofing, asphalt, and construction equipment measures remove options for complying with the New Development measure, and thus reduce the ability of new housing projects to comply with the New Development measure. For example, new construction equipment regulations will reduce emissions by 85% by 2020. Because they are required by a rule, these construction emission reductions cannot also be counted as a benefit of EGM-01 in the attainment demonstration. This overlap and duplication must be sorted out prior to completing the Final Draft AQMP. If not addressed, costly regulations may be adopted unnecessarily and the emission reduction benefits of the AQMP would be overstated, creating a false promise of reduced pollution.

4. Calculate the cumulative impact of more than a dozen new control measures that impact housing costs in the South Coast Air Basin. We request that the District provide a thorough evaluation of the cumulative costs of new district regulations on housing costs and affordability within the Basin, as part of the forthcoming Socio-Economic Impact Analysis to be released in January 2007. Measures that directly or indirectly impact housing development include FUG-03, CMB-03, BCM-02, BCM-03,

MCS-02, MCS-03, MCS-07, EGM-01, EGM-02, MOB-04, LTM-03, LTM-04, LTM-05.
and OFFRD-01.

Thank you for your consideration of these comments and recommendations. Please
contact Carla Walecka, RCAQ consultant, at 323/342-9373 with any questions,
comments or follow-up discussions prompted by our recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol Banner", written over a horizontal line.

Carol Banner
Chairman